

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

48

November 30, 2004

FROM: ELIZABETH SANCHEZ, Director
Human Resources Department

**SUBJECT: COMPREHENSIVE AUTOMOBILE INSURANCE COVERAGE FOR LEASED
OFFICE OF EMERGENCY SERVICES VEHICLES**

RECOMMENDATION: Approve a three-year program with Driver Alliant Insurance Services for the purchase of comprehensive automobile liability and physical damage coverage for State Office of Emergency Services (OES) vehicles leased by County Fire from December 1, 2004 through December 1, 2007 for an estimated total premium of up to \$10,000.

BACKGROUND INFORMATION: On July 13, 2004, the Board approved a request for proposals (RFP) for automobile liability and physical damage insurance for OES leased vehicles. The County's current policy expires December 1, 2004. This policy meets state requirements to protect two OES fire trucks on loan to County Fire against Liability and physical damage. The current policy provides physical damage coverage from any external cause at replacement cost of \$750,000 per fire truck. The liability is currently self-insured as we have been unable to obtain this coverage up until now. The new policies provide Automobile Liability Insurance over a \$10,000 deductible with limits of \$1,000,000 combined single limits and replacement cost for physical damage with a \$1,000,000 per vehicle maximum and a \$5,000,000 per occurrence maximum.

The RFP was sent to 20 brokers (six local). Two brokers indicated interest; however, only one submitted a proposal. Staff reviewed and recommends the Driver Alliant Insurance Services proposal because it provides the desired coverage at the lowest, most reasonable premium.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Michael Sachs, Chief Deputy County Counsel, 387-5281) on November 15, 2004; Fire Department (Peter Hills, Fire Chief, 387-5948) on November 15, 2004 and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on November 18, 2004.

FINANCIAL IMPACT: The total premiums for this three-year program are estimated to be up to \$10,000. Premiums, which have been included in the 2004-05 budget, will be paid from the Special Districts/JPA Automobile Liability (IAH RMG) sub fund and reimbursed by the Fire Department. Appropriation adjustments are not required.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this item, concurs with the department's proposal, and recommends this action because it will enable the County to continue managing its OES leased vehicle exposure in a fiscally prudent manner.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Pamela Thompson, Risk Manager, 386-8620

Record of Action of the Board of Supervisors

48